

Document No. 33
 No Change in Class. ☐
 Approved For Release 2002/08/06 : CIA-RDP78-04718A002600360173-5
 Review Date: 10 JAN 1979
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 MEMORANDUM FOR THE RECORD

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 Security Information

11 July 1952

General Counsel

PRC Action on Continuation of Projects

1. At the PRC meeting of 11 July the group discussed the turndown by the Director of the previous recommendation that he authorize continuation of OPC projects for the first quarter of the fiscal year '53 at the general level of expenditure of the last quarter of '52. This turndown left a fair proportion of the OPC projects without any proper authorization to expend funds or for the Comptroller to advance funds. It was generally agreed that it was unfair to put the Comptroller in a position of having to say that a project would go ahead or stop based on what approvals he had in his records.

2. Mr. Dulles expressed the idea that where PRC had approved a project it was a continuing approval which carried over successive years. It was brought out that occasionally PRC had provided for continuance in specific terms, but normally approved the principle of a project and enough money to finish the current fiscal year. The theory is that if it were a successful continuing project, OPC would put it specifically in the budget and no further action would be necessary from a fiscal point of view. However, this has not been feasible in many cases and in these there is no budget authorization or continuing PRC authorization. Furthermore, some projects were approved under former rules by other authorities than PRC, but the present rules require PRC procedures to be followed. Everybody agreed that some interim procedure was necessary. Mr. Wisner asserted that he would undertake the responsibility if it were placed upon him by the Director. Mr. [] said he thought it was merely an administrative problem for DD/P and DD/A to work out, but this overlooks the technical problem of the necessary authority for the Comptroller to release funds.

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3. As far as I can make out the following procedure was agreed upon. Mr. [] of OPC would prepare two analyses. One analysis would be of projects approved by the PRC, the nature of the approval, the amounts approved and the amounts expended; and, if it appeared proper, these PRC approvals would be considered continuing for the first quarter of the fiscal year 1953 to the extent of enabling the Comptroller to extend sufficient funds for their continuance. The other report would be of projects not previously considered by PRC and not approved by the Director with a similar statistical analysis. The authorization problem in connection with these projects would then be informally submitted to the Director with recommendations that DD/P be responsible for their continuance, reduction or cessation in coordination with the DD/A. Also, Mr. [] was to prepare the presentation of OPC programs by country and start a presentation to the PRC group next week. Based on a trial run of these presentations, PRC would determine how future PRC action would be conducted, and attempts would be made so to budget or approve projects that this fiscal year end problem would not again arise.

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